

What Else is Wrong with Globalization

By *Joan Roelofs* February 17, 2017

It isn't just an issue of whether they have the jobs or we have the jobs. From a red-green, eco-socialist perspective we must ask: what are they producing, how does the product and process affect the health, happiness and self-esteem of the worker, how does it contribute to the health and happiness of the consumer, and what effect do product and process have on the environment and culture of the producing and receiving countries?

Globalization has benefits, undoubtedly. There are international human rights treaties that have enabled local activists to improve conditions for their fellow citizens; there are developments in medical treatments that are now widely available. But as the benefits of globalization are widely described, I will argue for the minority and indicate some of the serious problems that we don't hear much about.

A red-green view advocates for a predominately local economy. What can be produced locally should be, even if imports are cheaper. Exceptions might be made for rare items that contribute substantially to the quality of life, when the production conditions can be ascertained.

How is it possible to provide for needs locally? Scientists, now employed mostly in weapons, pharma, and agricultural chemicals, can work with local residents to figure out how to provide for clothing, housing, food, fuel, medicine, and entertainment from local resources. Education might introduce children to all pacific and useful technology, and stimulate their creativity in providing for the needs of life (instead of the rocket building competitions featured in STEM recruitment, sponsored by weapons corporations).

Modern transportation would still be needed, but on a much smaller scale would produce far lower carbon and particulate emissions. Commuting could be greatly reduced, as well as the transportation of chocolate chip cookies from British Columbia to New Hampshire; I have encountered such an import. Vodka now shipped halfway across the earth turns out to be pure alcohol; given some grain and an old bathtub, a child could make it in her backyard (and would). Transportation of goods, even by sea, is a huge fuel consumer and environmental polluter.

An energy source that is hugely underutilized is human labor. If moderately extracted from all, it can provide great gains for health. Currently, many are idle, or engaged in pointless "workouts" or hazardous games. Food can be produced almost anywhere, with composting, raised beds, etc., and a diet based on legumes, vegetables, fruits, nuts, and small animals would provide appropriate exercise. No one needs 50 t-shirts; a small, durable, elegant supply of clothing can be fabricated even in the northern regions from wool, linen, and hemp. Given that millions of people have voluntary hobbies of gardening, macramé tying, and geegaw fabrication, this type of labor would not be unduly harsh or violate the human spirit.

Of course, if the enormous energy, resources, and brains now devoted to human destruction in the military-industrial complex were employed for human well-being, there would be a plenitude. Add to this all the resources used producing junk that earns profits for some, provides work and subsistence for others, and gives short term amusement to consumers.

What is wrong with a globalized economy and free trade based on cheapness? Adam Smith, Scottish philosopher of capitalism and free trade, said that each country should produce what it can best sell to the rest of the world, and trade with other countries for its other needs. At the time, 1776, Britain was the only industrialized country, so it naturally, or perhaps unnaturally, had a competitive advantage over countries exporting natural resources.

The early triumph of the British industrial revolution, cheap textiles made with cotton produced by slaves, put the skilled weavers out of business, hence the Luddites. T-shirts and curtain material were exported to India and Africa, destroying local textile production, creating fashions that were not needed by indigenous people, and in any case, were quite inferior to native fabrics.

One problem with the extreme specialization implied by Smith's idea is that it reduces the range of occupations available to citizens of a country. In a similar way, high value crops: coffee, tea, chocolate, cocaine, ganja, flowers, tropical fruits, and exotic vegetables lead to monoculture. The lucrative luxuries draw all resources, labor, and capital away from basic food production.

Furthermore, mechanization, which cheapens products and makes them more exportable, results in massive unemployment. Today, as entire factories can easily be imported, comparative advantage lies with those places that have the lowest labor and environmental standards. As competition constantly leads to new lows, abandoned production sites and lost jobs are another cost to

communities. Ghost towns were also a feature of early industrialization, as water power yielded first to coal and then to electricity as power sources.

Another problem is the nature of the products that really sell well: historically, and today, these have been guns and drugs (coffee, tea, sugar, tobacco as well as harder stuff), fossil fuels, lumber, and minerals. Information technology has costs as well as benefits; entertainment and news services can drown out local cultures and varied perspectives. Industrialized agriculture and farmed fish have environmental and health effects for both exporting and importing countries. Junk food floods the world with serious inroads on traditional diets, especially in poor countries where small incomes are diverted to snacks and sodas regarded as treats, even for babies.

Subsistence and mid-size farmers have a hard life, and must contend with erratic weather and harsh market conditions. They are under pressure to self-exploit and wear out the soil to produce the cheapest. It would be better if their hours were regulated and they were paid a living wage, rather than be dependent on the returns for their crop.

In France, the rules of free trade have been evaded by conservation subsidies to farmers, as the French do not want to abolish the countryside and eat only the cheaper imported food. In Mexico, farmers have been chased from the land by the more competitive industrialized agriculture. Some of them have migrated north; others have found jobs in the tourist industry, and often their diet comes from the only available source: processed food from convenience stores. Obesity is now a problem in poor as well as rich countries.

While we may be aware of the human and environmental costs of natural resource extraction, for example, oil and gas, mineral mining, and forestry, there is little that the ultimate consumer can do about it. In Australia, Canada, the US, throughout Africa, and elsewhere, uranium mining is a job for indigenous people; the wastes are also inflicted on their communities. Extraction of gold and other minerals has long poisoned the lands of Latin America and elsewhere. Now that the balanced economy of Mongolia has disintegrated, international mining companies are rapidly digging up the country.

As for the items that we purchase individually, it is difficult to research all the conditions of their production. Some organizations have done this for a few products, e.g., shoes, or fish, but even in these cases, the producers keep shifting locations and practices, so the information is quickly outdated.

Tourism is one of the largest items in international markets. Certainly it has educational benefits, but it is also energy intensive and polluting. It can provide a good living for artists, musicians, and cultural workers, but it requires armies of cab drivers, waiters, and janitors. It is a very competitive industry, and some countries find their comparative advantage in providing juvenile sex tourism. Another lure is gained by stripping forests and agricultural land to create golf courses. Caribbean losers of the "banana war," have tried this, often on the advice of the World Bank.

Countries of the European Union, which now import most of their food, furniture, and clothing, are heavily dependent on tourism. They also import labor for service and factory work. However, an important contribution to "free trade" of the leading social democratic nations, e.g., France, Germany, Spain, Sweden, Switzerland, and the Netherlands, are weapons export industries.

Many of the 200 or so nations of the world have very little to offer in the international market. Toxic waste sites are attractive to foreign corporations, but not so much for the communities and workers that will operate them. Another handy earner of foreign exchange is the harboring of off-shore corporate headquarters for tax evasion purposes. Even Bermuda has resorted to this, as its fine beaches and coral reefs do not have enough zing for younger tourists.

The "banana war" has contributed to a strange export: citizenship. The war began in 1996, when the head of Chiquita bananas complained to the World Trade Organization that the European Union preference, a very small quota, for bananas from former colonies violated the rules of free trade. For some islands in the Caribbean, for example,

Dominica, St. Lucia, St. Vincent, Trinidad, and Jamaica, bananas produced on small family farms were an important part of the economy. They could not compete in price with the Chiquita and Dole U.S. based corporations (which have no plantations inside the US). The WTO eventually ruled that the preferences had to stop, and similarly, preferences for the sugar exports of St. Kitts. There was some hope in exporting organic bananas, but that niche was dashed when the large corporations also went into that business. With island tourism a declining industry, St. Kitts, Antigua, St. Lucia, Dominica, and Grenada are now selling citizenship. In St. Kitts, the cost is \$50,000 in processing fees and the purchase of a house worth at least \$400,000. The wealthy buyers can obtain tax evasion benefits as well as visa free entry to many countries, especially those of the European Union.

The political costs of globalization are often unremarked. Democratic choice is more difficult to exercise when major decisions are made at higher levels, remote from ordinary citizens. For

example, the US Metalclad corporation wished to develop and enlarge a leaking toxic waste plant in Mexico. The local community didn't want it, and refused to issue a permit, but the rules of the North American Free Trade Agreement denied locals any choice in the matter. Mexico was required to pay a fine of \$16 million. Even local and national laws may have to be jettisoned according to trade agreements. This has been notable in Canada's experience with NAFTA; several of Canadian environmental laws have been ruled violations of "free trade." Not only trade in goods, but investments, services, and ownership of land and natural resources must be open to all according to the rules of globalization's institutions. There have been a few cases where citizen action has delayed or defeated trade agreements, but they require tremendous efforts.

The European Union imposes financial limitations on members, despite what might be best for their citizens. The North Atlantic Treaty Organization promotes militarization and participation in aggressive wars among its members—in this supposedly defensive alliance. In addition to members, "partners in peace" and other nations have been herded into a global army, devastating Afghanistan and wherever else it decides to punish. NATO's bases (and those of the Empire's other alliances) create local service economies but demand exemption from environmental and criminal laws. The United Nations, despite its great promise and outlawing of war, has not been able to end aggression in foreign policy or enforce nuclear disarmament treaties. International law is mocked, except where there is some commercial advantage to its enforcement.

Further erosion of democracy results from the very attractiveness of participation in international governmental organizations, their task forces, and the non-governmental organizations that shadow them. Local political parties and activities have declined and are neglected by the leading activists who would rather travel the world in the hopes of doing some good.

Not everything we need or strongly desire can be produced locally, but by limiting imports from abroad or even great distances within a nation, we can more feasibly be informed of their production conditions. As to the high costs of "localvore" items, we discover that it is what they really cost, given humane labor conditions and respect for the environment. Political decision-making at local levels can empower ordinary people and improve the prospects for democracy. Cultural and informational exchanges can create and enhance a cosmopolitan world, provided the people, their values, and their environments are respected.

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